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athletics: Code of Conduct



April 8, 1999

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PRESIDENT'S OFFICE

President Lee Bollinger
University of Michigan
2074 Fleming Administration Bldg.
Ann Arbor MI 48109-1340

Dear President Bollinger:

In the next few days, we hope you will be hearing about a progressive new private/non-profit organization partnership designed to develop people-driven solutions to issues resulting from the rapidly expanding global economy. Nike will become one of two charter companies alongside several prominent organizations who will join the newly formed Global Alliance for Workers and Communities as administered by the International Youth Foundation. This initiative will give entry level workers a direct means to improve their lives, workplaces and communities. As a valued Nike partner, we wanted to take this opportunity to outline the goals of this partnership.

With commerce, capital and transportation flowing beyond national borders as never before, corporations such as Nike increasingly are reaping the benefits of a global economy. Multinationals are extending the manufacturing of products such as clothing, toys and athletic footwear to Southeast and Southwest Asia, China, the Middle East, North Africa, East-Central Europe and Latin America. In turn, newly emerging economies around the globe are eager to meet the demand and are welcoming a new generation into their workforce. While averaging approximately 21 years of age and with limited educational opportunities, many of these workers are young adults from rural communities – the first in their families to leave home and join a formal economy.

The Global Alliance for Workers and Communities was founded in response to this phenomenon. Aimed at helping young adult workers gain the life skills and self confidence to achieve their dreams and make a contribution to their families, communities and society, the Global Alliance will:

- identify life aspirations and workplace issues based on research and worker feedback;
- assess worker and community needs in concert with local NGOs; develop and implement programs to address workplace issues, worker needs and aspirations, as well as community needs; and,
- provide regular reports and updates to the public that demonstrate results by company and by country.

We believe in the approach adopted by this initiative. It builds directly on input from the workers themselves, complements our existing independent monitoring activities and

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creates an excellent platform from which Nike can make significant investments to improve the quality of life for its young adult workers throughout the world.

At Nike, we are committed to improving the lives of young people both at home and abroad where our products are made. In the past fourteen months, we have implemented numerous reforms in our overseas contract factories, including increasing the minimum age to 18 in footwear factories increasing wages up to 40% for individuals in entry-level footwear manufacturing jobs in Indonesia, and improving indoor air quality in footwear factories by using water-based solutions instead of potentially more harmful petroleum-based adhesives.

We believe the Global Alliance for Workers and Communities is an important step toward giving those who manufacture Nike products the tools they need to succeed in life. We look forward to building a strong new partnership abroad while maintaining our productive relationships with people like you here in America.

Nike values the feedback of our partners. Please contact me with any questions or comments about this initiative or consult the web-site, www.theglobalalliance.org.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kit Morris", with a stylized flourish extending from the end.

Kit Morris
Director of College Sports Marketing

attachment

cc: Tom Goss

GLOBAL ALLIANCE FOR WORKERS AND COMMUNITIES

Program Overview

Commerce, capital and transportation are flowing beyond national borders as never before, just as a new generation is entering the workforce of newly emerging economies around the globe. From 1991 through 1998, the number of people living in market economies has quadrupled to more than four billion. Yet many of these new economies are fragile.

For new economies to thrive and take hold, the next generation must be prepared with the skills and knowledge necessary to build strong economies, and with the values and principles necessary to nurture successful societies, communities and families.

As corporations increasingly reap the benefits of a global economy, they are also moving to shoulder more social responsibilities, especially in countries just beginning to develop market economies. That is the organizing idea behind the Global Alliance for Workers and Communities, an alliance of private, public and non-profit organizations to help improve the lives, workplaces and communities of young adult workers involved with global manufacturing.

The Alliance is designed to help corporations develop ways to respond to worker needs and aspirations on a factory-by-factory basis. Workers themselves will be directly involved in the project that will initially focus on young adult employees, especially young women, who work for manufacturers of toys, clothing and athletic footwear in southeast and southwest Asia, China, the Middle East, North Africa, East-Central Europe and Latin America.

Frequently, manufacturing and production for these global companies are organized through contract factories, owned and operated by entrepreneurs who do not necessarily have the cultural or community links to the factory work force. The first workers to be recruited in many of these communities are often unskilled, rural young adults who are often the first family member to enter the formal economy.

The primary goal of the Global Alliance is to build a sustainable assessment, monitoring and development process and the infrastructure to ensure it lasts. Specific goals include:

- identification of worker aspirations and workplace issues;
- assessment of worker/community needs;
- development and implementation of programs that respond to the identified needs; and
- regular public reports and updates by company and country.

Initial projects developed by the Alliance likely will focus on:

- education opportunities
- health;
- nutrition education;
- vocational skills training; and
- life skills development, *i.e.*, financial management, assertiveness, leadership, parenting skills and academic enrichment opportunities.

The Global Alliance will involve local non-governmental organizations, employees and their representatives to conduct surveys, focus groups and individual interviews.

Precise results will depend largely on the interviews and discussions to take place. In addition to improving the life and work conditions and prospects for young adult workers over the next five years, the Global Alliance anticipates:

- learning what life skills young workers need and how to help develop those skills;
- developing innovative ways offshore producers can more effectively invest in philanthropy where products are made, not just where the markets exist;
- understanding better what investments should be made in the communities surrounding factories;
- helping build an improved ability to assess factory environments among local non-government organizations.

With regard to individual workers, the Alliance will be a success after five years if individuals who work for Alliance companies:

- have a greater voice with management;
- stay on the job longer;
- use their job as a stepping stone toward better education and life skills; and
- work in a factory that plays a positive role in local community development.

The Alliance will conduct its work based on assessment, monitoring and development:

- During assessment, the Alliance will look at the workplace through the workers' eyes;
 - It will use that information to improve monitoring; and
 - It will take the results of those two steps to develop programs that benefit the worker and the community.
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- The Alliance has an initial budget of \$10 million and it will bring together businesses, local officials and non-governmental organizations to accomplish its goals. In addition to the International Youth Foundation, founding members of the Alliance include The John D. and Catherine T. MacArthur Foundation, the World Bank, Mattel, Inc. and Nike, Inc.
 - The Alliance partnership evolved in 1998 as the International Youth Foundation worked with founding members to develop an approach to broaden global models of corporate responsibility.
 - Founding members of the Alliance want results and they want to be held accountable for this effort. Quarterly updates will be issued to report results by company and country.
 - The Alliance will operate as a separate unit of the IYF and will be housed in the IYF offices in Baltimore, Maryland. Funding from the founding members is in a blind trust, which will be under the full and irrevocable control of IYF.

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